



LOCAL HELP FOR PEOPLE WITH MEDICARE

SHIP is a free and impartial Medicare information and counseling program provided by the Indiana Department of Insurance.

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### Medicare Costs for 2020

As we head into the new year, the State Health Insurance Assistance Program (SHIP) wants to let Medicare beneficiaries know how much Medicare premiums, deductibles and other out-of-pocket costs will be in 2020.

Each year, Medicare premiums, deductibles and co-payment rates are adjusted according to the Social Security Act. For 2020, Medicare Part B monthly premiums and the deductibles are higher than 2019.

Standard monthly premiums for Medicare Part B enrollees will be \$144.60 for 2020, an increase of \$9.10. The monthly Part B premium for most Medicare beneficiaries in 2019 was \$135.50. Standard premiums are what most people with Medicare pay. Part B covers physician services, outpatient hospital services, certain home health services, durable medical equipment and certain other medical and health services not covered by Medicare Part A.

The annual deductible for all Part B beneficiaries is \$198 in 2020, an increase of \$13 from \$185 in 2019.

Since 2007, Part B premiums have been based in part on a beneficiary's income, with higher-income beneficiaries paying higher premiums. These income-related monthly adjustment amounts affect about 7% of those with Part B. 2020 Part B total premiums for high-income beneficiaries can be found at [www.cms.gov/newsroom/fact-sheets/2020-medicare-parts-b-premiums-and-deductibles](http://www.cms.gov/newsroom/fact-sheets/2020-medicare-parts-b-premiums-and-deductibles).

Medicare Part A covers inpatient hospital, skilled nursing, and some home health care services. About 99% of Medicare beneficiaries do not have a Part A premium since they paid Medicare payroll taxes for at least 40 quarters of employment. Part A inpatient hospital deductibles that beneficiaries will pay when admitted to the hospital will be \$1,408 in 2020, an increase of \$44 from \$1,364 in 2019. The Part A inpatient hospital deductible covers beneficiaries' share of costs for the first 60 days of Medicare-covered inpatient hospital care in a benefit period.

In 2020, beneficiaries must pay a coinsurance amount of \$352 per day for the 61st through 90th day of a inpatient hospitalization (versus \$341 in 2019) in a benefit period and \$704 per day for lifetime reserve days (versus \$682 in 2019).

For beneficiaries in skilled nursing facilities, the daily coinsurance for days 21 through 100 of extended care services in a benefit period will be \$176 in 2020 (\$170.50 in 2019).

These premiums and cost sharing apply to people with Original Medicare. Premiums and deductibles for Medicare Advantage and Medicare Part D Prescription Drug plans vary by plans. On average for 2020, Medicare Advantage premiums are expected to decline by 23%, and will be the lowest in the past 13 years.

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*John Williams is a Medicare Specialist with State Health Insurance Assistance Program (SHIP). Hoosiers can get answers to Medicare questions by calling SHIP at 800-452-4800 Monday - Friday between 8:00AM - 4:00PM.*